

The Mobile Payments Series: China

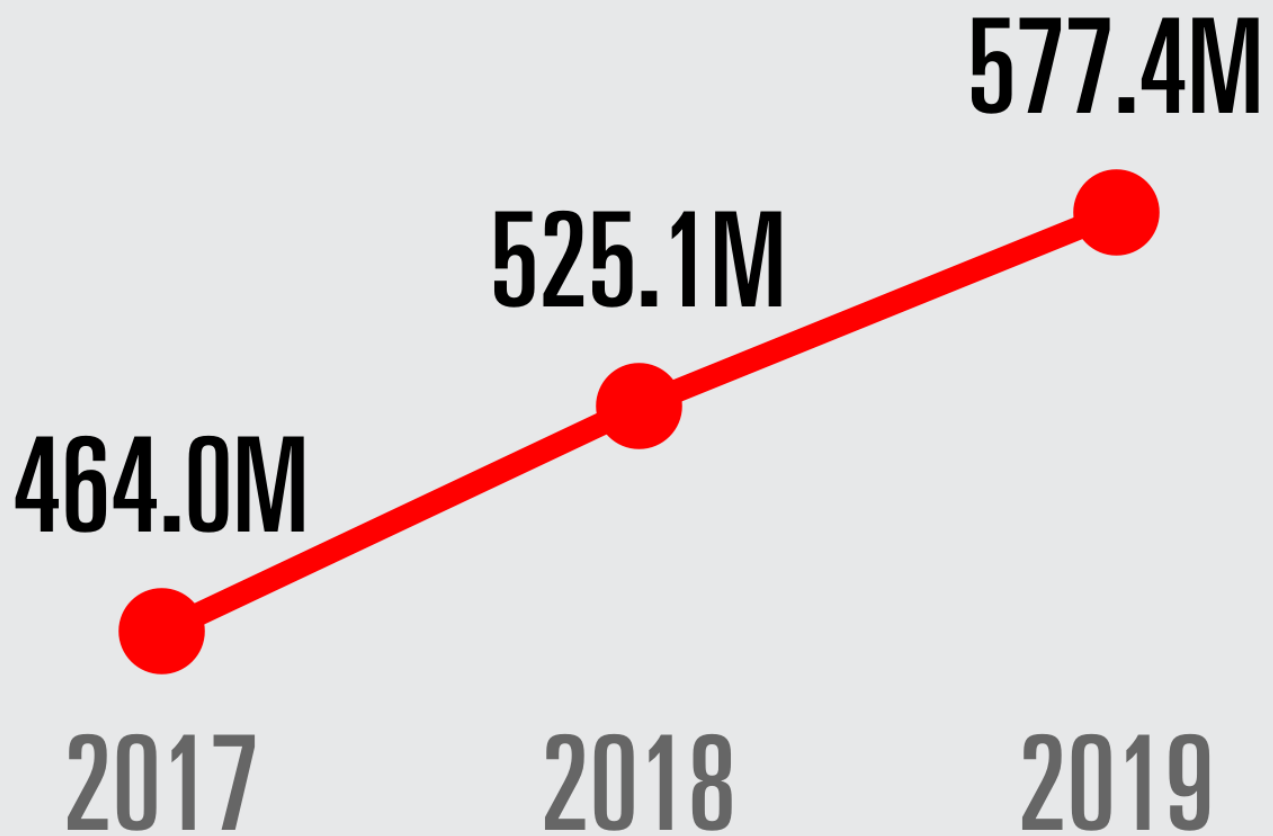
Article

*This week, we're diving into the mobile payments landscape and seeing what adoption looks like across various countries like the US, **India** and Germany. Yesterday, we looked at adoption in **the UK**. Next up: China.*

In China, mobile payments have made large inroads thanks to rapid smartphone adoption and the absence of alternative payment methods.

This year, we expect 525.1 million people in the country will use mobile payments, making up 45.2% of the population. That's an increase of 13.2% from a year prior.

How Many People in China Use Mobile Payments





45.2%
OF POPULATION

Note: a proximity mobile payment is a point-of-sale (POS) transaction made by using a mobile device as a payment method; includes scanning, tapping, swiping or checking in with a mobile device at the POS to complete transaction; excludes purchases of digital goods on mobile devices, purchases made remotely on mobile devices that are delivered later on and transactions made via tablets

Source: eMarketer, October 2018



China has a relatively low credit card penetration rate, and consumers have been skipping the adoption of payment cards in favor of mobile options like WeChat Pay, which is built into the near-ubiquitous mobile messaging service WeChat, and Alipay, which is offered by the popular ecommerce platform Alibaba.

"These payment services in particular helped encourage adoption by running cash prize promotions and other discounts tied to the Lunar New Year holiday. Mobile payment use has also been hastened by the widespread adoption of QR codes in China, which lower the cost barrier for merchants and make processing transactions dead simple for shoppers," said eMarketer senior analyst Rahul Chadha.

When it comes to payment app adoption, China is on a whole different level compared with the rest of the world.

"Payment culture in China has evolved in a unique manner compared with developed countries in the West," said Showmik Podder, junior forecasting analyst at eMarketer.

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